



Supplier Quality Requirements

The success of KWG's quality system is dependent on receiving quality products and services from our suppliers.

Product Conformity

Supplier shall assure product conforms to requirements and specifications set forth on purchase order. Product is subject to inspection and approval after delivery by KWG representatives.

Delivery

Supplier is expected to deliver products 100% on- time.

Purchase Order

Purchase orders will be issued to Supplier and shall describe: quantity, material, material grade, size, processes, special processes, references, specifications, drawing revision and any other requirements governing the purchase. Suppliers proceeding without a purchase order risk non-payment.

Contract Review & Acknowledgment of Purchase Orders

Supplier shall do a thorough contract review before accepting a purchase order. Supplier shall acknowledge receipt of purchase order within a reasonable time.

Non-Conforming Product Notification and Control

Supplier is responsible for notifying KWG, immediately, of a product suspected or found to be non-conforming. Under no circumstance, shall supplier knowingly ship a non-conforming product to KWG Industries without prior permission. KWG Industries reserves the right to withhold payment, reject and/or seek to recover costs resulting from a delivery of non-conforming product.

Corrective Action & Preventative Action Request

Supplier shall complete a CAPA response that includes: root cause analysis, corrective & preventative actions and an implement date within 10 days of a request. If a CAPA is not completed, KWG Industries reserves the right to withhold payment

Identification

Supplier must make certain products are properly identified

Traceability

Supplier must make certain all certifications: (Manufacturing Certificates of Conformance, Test Reports, Process Certs, Raw Material) is traceable to one another; by either lot number, date code, heat number, job or work order number or material purchase order number.

One Heat Number/Lot per Line Item

Supplier must contact purchaser for approval, if multiple lots will be supplied to complete an order. Supplier must make certain multiple heat numbers are tagged separately and not mixed.

Certifications

Supplier shall include certificates with shipments: Mill Certificate, Process certifications (Manufacturing Certificates of Conformance, Test Reports, Process Certs, Raw Material performed on material. The producing mill information and country of origin must show on Mill certificate. All certifications must be clear and legible.

Certificate of Conformance.

Supplier shall include a Certificate of Conformance for all processes and services performed.

Control of Supplier's Sub-Contractors / Supplier's Supplier

Supplier shall assure Supplier's sub-contractors conform to KWG quality requirements.

Packaging & Packing List

Supplier must make certain product is adequately packaged to prevent damage. Supplier's packing list and certificates is required with a shipment.

Maximum Forklift Weight Max. Fork-lift weight is 2,000 pounds.

Special Processes

Where applicable (**when stated on purchase order**), Supplier shall perform special processes by sources accredited by NADCAP. Supplier shall assure Supplier's sub-contractors conform to KWG quality requirements.

Foreign Object Debris

Supplier shall establish and maintain controls to eliminate foreign debris and/or contamination

Conflict Mineral

KWG Industries does not accept the use of conflict mineral material relating to (SEC) Section 1502 of Dodd Frank Act. KWG Industries reserves the right to request conflict mineral declarations on any given order containing: **Tin (Sn), Tantalum (Ta) Tungsten (W), Gold (Au)**. Supplier is required to demonstrate that materials are not derived from or sourced from mines in the conflict areas of the Democratic Republic of the Congo (DRC) or illegally taxed on trade routes, either of which are controlled by non-government military groups or unlawful military factions.

Calibration

Supplier must make certain tools and equipment are calibrated in accordance with organizations quality system.

Mercury Free

Supplier is responsible to ensure product did not come into contact with mercury or mercury compounds during manufacturing or subsequent processing.

Record Requirements

Supplier must make certain records are accurate and securely retained for a minimum of 8 years.

Return Policy

KWG reserves the right to return product within a reasonable time frame; if product does not meet requirements/specifications of purchase order and/or drawing.

Right of Entry

KWG Industries, KWG Industries customers', government representatives or regulatory agencies shall reserve the right to audit supplier's facilities with suitable notification: to review processes, subcontractors, procedures and records that are applicable to KWG Industries.

Confidentiality

Supplier shall treat all documents and information confidential.

Hazardous Material

Supplier shall provide a label on products indicating hazardous material and types.

Export Compliance Requirements

In accordance with 22 CFR & 122.1 (a), persons who engage in the United States in business of either manufacturing or exporting defense articles or furnishing defense services is required to register with the U.S. Department of State, Office of Defense Trade Controls and apply for export authorization prior to exports of controlled hardware, technical data, software and services. Manufacturers who do not engage in exporting must nevertheless register. Information regarding registration may be found at www.pmdtdc.state.gov

Please be advised any technical data (i.e. specification, drawings, etc.) provided by KWG marked with an ITAR restrictive legend is considered to be export controlled and may not be provided to any foreign person *.Foreign persons are persons who are not 1) U.S. Citizens, 2) Permanent Resident Aliens (Green Card Holders), or 3) protected persons (Refugees). A foreign person includes an individual who has been granted an Employment Authorization card, unless other documentation is provided from 1-3 above. As a KWG Supplier you may not provide any of the export controlled data provided by KWG to foreign suppliers, regardless of the nature of the relationship to the U.S. supplier, for any reason without prior specific export authorization secure from the ODTCL. As a KWG Supplier agree not to transfer any export controlled technical data provided by KWG Industries to any sub-contractor or vendor without first notifying/flowing down to the sub-contractor or vendor of the export compliance requirements as stated above. As a KWG Supplier you confirm that your suppliers have not been currently debarred or suspended pursuant to any of the statutes at ITAR 120.27.